

SPRUCE MEADOWS METROPOLITAN DISTRICT
SPECIAL MEETING
8700 Turnpike Drive, Suite 230, Westminster, CO 80031
Thursday, March 28, 2019 at 1:00 P.M.

Scott Hasday, President	Term to May 2022
Paula Lindamood, Secretary/Treasurer	Term to May 2020
John Wahl, Assistant Secretary	Term to May 2020
VACANT	Term to May 2020
VACANT	Term to May 2022

AGENDA

1. Call to Order/Declaration of Quorum
2. Director Conflict of Interest Disclosures
3. Approval of Agenda
4. Public Comment – Members of the public may express their views to the Board on matters that affect the District that are not otherwise on the agenda. Comments will be limited to three (3) minutes per person. Comments will be taken in the order reflected on the sign in sheet.
5. Administrative Matters
 - a. Consider Approval of Minutes from December 03, 2018 Special Meeting (**enclosure**)
 - b. Acknowledge Resignation of Jack Devereaux
 - c. Discuss Director Vacancies and Appointment of Officers
6. Legal Matters – None
7. Financial Matters
 - a. Conduct Public Hearing on 2018 Budget Amendment
 - i. Consider Adoption of Resolution Amending 2018 Budget (**enclosure**)
 - b. Consider Approval of 2018 Audit Exemption Application (**enclosure**)
8. Other Business
 - a. Next Regular Meeting – Tuesday, May 14, 2019.
9. Adjourn

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

SPRUCE MEADOWS METROPOLITAN DISTRICT

Held: Monday, December 3, 2018 at 9:00 am at 8700 Turnpike Drive, #230, Westminster, Colorado.

Attendance

The special meeting of the Board of Directors for the Spruce Meadows Metropolitan District was called and held in accordance with the applicable laws of the State of Colorado. The following Directors, having confirmed their qualification to serve, were in attendance:

John Wahl
Paula Lindamood
Scott Hasday

Also present: Allison C. Fogg, Esq., White Bear Ankele Tanaka & Waldron, P.C., District General Counsel; Cindy Combs., Vista Management, District Manager.

Director Qualification

The Directors in attendance confirmed their qualification to serve.

Call to Order/Declaration of Quorum

Ms. Fogg noted that a quorum of the Board was present and that the Directors had confirmed their qualification to serve, and therefore, called the meeting to order.

Disclosure Matters

Ms. Fogg advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Fogg reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Fogg noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Ms. Fogg presented the agenda to the Board for consideration. Following discussion, the Board unanimously approved the

agenda.

Approval of Minutes from May 16, 2018 special meeting

Ms. Fogg presented the minutes from May 16, 2018 special meeting for consideration. Following discussion, the Board unanimously approved the minutes, subject to certain formatting corrections and final approval from Ms. Lindamood.

Public Comment

No Comment.

Legal Matters

Consider Approval of First Amendment to Advance and Reimbursement Agreement

Ms. Fogg presented to the Board the First Amendment to Advance and Reimbursement Agreement. Following discussion, upon a motion duly made and seconded the Board unanimously approved the agreement.

Annual Administrative Matters

Consider Approval of 2019 Annual Administrative Matters Resolution

Ms. Fogg presented the Board with the proposed 2019 Annual Administrative Resolution. Following discussion, upon a motion duly made and seconded the Board unanimously approved the resolution, as amended to include regular meeting dates and times.

Consultant Contracts

Consider Approval of 2019 Management Contract with Vista Management Associates, for District Management Services

Ms. Fogg presented to the Board the 2019 Management Contract with Vista Management Associates for District Management Services. The Board discussed the agreement and, upon a motion duly made, and seconded the Board unanimously approved the agreement, subject to the receipt of compensation schedule not exceeding a three percent (3%) increase above current cost.

Consider Approval of 2019 Independent Contractor Agreement with Environmental Design for Landscape Maintenance

Ms. Fogg presented to the Board the 2019 Independent Contractor Agreement with Environmental Design, Inc., for Landscape Maintenance. The Board discussed the agreement and, upon a motion duly made, and seconded the Board unanimously approved the agreement.

Insurance Matters

Consider Approval of 2019 Property and Liability Schedule

The Board discussed the District's property and liability insurance schedule for 2019. Ms. Lindamood noted that certain improvements date of construction should be revised to 2004. Following discussion, upon a motion duly made and seconded the Board unanimously approved the insurance subject to the revisions to be made for the date of construction for certain improvements to 2004.

Financial Matters

Consider Approval of Annual Compliance Certificate for Loan Agreement dated March 21, 2017

Ms. Combs presented to the Board, the Annual Compliance Certificate in connection with the Loan Agreement dated March 21, 2017. The Board discussed whether the District was in compliance with the annual requirements. Ms. Fogg recommended that legal counsel review the loan documents to ensure compliance with the Loan Agreement. Following discussion, upon a motion duly made and seconded the Board unanimously approved the Annual Compliance Certificate subject to final legal approval.

2018 Budget Amendment Public Hearing

Ms. Fogg opened the public hearing on the proposed 2018 budget amendment. Ms. Fogg noted that notice of the proposed budget amendment was published in accordance with Colorado law. Ms. Lindamood noted that a 2018 budget amendment was not necessary for the District. Hearing no comments from the public, the public hearing was closed.

2019 Budget Public Hearing

Ms. Lindamood opened the public hearing on the proposed 2019 budget. Ms. Fogg noted that notice of public hearings on the proposed budgets was published in accordance with Colorado law. Hearing no comments from the public, the public hearing was closed.

Consider Approval of 2019 Budget Resolution

Ms. Lindamood presented to the Board the proposed 2019 Budget Resolution. Following discussion, upon a motion duly made and seconded the Board unanimously approved the Resolution approving the 2019 Budget.

Consider Approval of Engagement Letter with L. Paul Goedecke, P.C.

Ms. Combs presented to the Board the Engagement Letter with L. Paul Goedecke, P.C. Following discussion, upon motion duly made and seconded the Board unanimously approved the engagement letter and retained L. Paul Goedecke to prepare and file the District's 2018 audit.

Consider Ratification of 2017 Audit

Ms. Lindamood presented to the Board the 2017 Audit prepared by L. Paul Goedecke, P.C. that was filed with the State Auditor. Following discussion, upon motion duly made and seconded the Board unanimously ratified the District's 2017 Audit.

Other Business

Update on Pond E

Ms. Combs presented the Board with an update on the status of Pond E and the Board discussed the on-going matters relating to contractor schedule, enlarging the pond, relocating excess dirt, survey work, cost estimates, and issuance of certification of combined volume of Ponds D and E by Atwell upon completion. Mr. Schoenfeld has relocated his point drainage from his sump pumps to the west inlet of Pond E on a temporary basis. The District will work with Mr. Schoenfeld to determine a more permanent solution after the pond work has been completed and engineer certified. The west bank of Pond E is still wet, with all irrigation turned off. The water source is unknown at this time.

Review of 2019 Grounds Contract Proposals

Ms. Combs presented to the Board the 2019 Grounds Contract Proposals. The Board reviewed the proposals, and following discussion, upon a motion duly made and seconded the Board unanimously approved Environmental Design Inc.'s proposal and directed legal counsel to prepare the Independent Contractor Agreement subject to final receipt of proposal from Environmental Design Inc.

Next Meeting

Tuesday, May 14, 2019 at 1:00 p.m.

Adjournment

There being no further business to come before the Board, upon motion, second and unanimous vote, the meeting was adjourned.

The foregoing minutes were approved by the Board of Directors on the ____ day of _____, 2019.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting

**SPRUCE MEADOWS METROPOLITAN DISTRICT
RESOLUTION TO AMEND 2018 BUDGET**

WHEREAS, the Board of Directors of Spruce Meadows Metropolitan District (the “District”) certifies that at a special meeting of the Board of Directors of the District held March 28, 2019, a public hearing was held regarding the 2018 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2018 as follows:

General Fund	\$135,810
and;	

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2018; and

WHEREAS, funds are available for such expenditure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2018 as follows:

General Fund	\$150,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

[Remainder of page intentionally left blank.]

ADOPTED this 28th day of March, 2019.

**SPRUCE MEADOWS METROPOLITAN
DISTRICT**

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

STATE OF COLORADO
COUNTY OF _____
SPRUCE MEADOWS METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held on Thursday, March 28, 2019, at 8700 Turnpike Drive, Suite 230, Westminster, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th day of March 2019.

Spruce Meadows Metropolitan District

 BUDGET DOCUMENT
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	AMENDED & FINAL 2017	BUDGET 2018	AMENDED 2018	FINAL 2018
BEGINNING FUND BALANCE	\$ 49,991	\$ 45,641	\$ 76,286	\$ 76,286
REVENUE:				
PROPERTY TAXES	99,998	100,000	100,000	100,000
SPECIFIC OWNERSHIP TAXES	6,475	5,100	6,358	6,385
FACILITY FEES	-	5,000	-	-
TRANSFER CSAFE O&M Existing funds	-	-	-	-
TRANSFER FROM DEBT SERVICE	75,000	-	-	-
INTEREST	1,357	300	1,750	1,877
TOTAL REVENUE	<u>182,830</u>	<u>110,400</u>	<u>108,108</u>	<u>108,262</u>
TOTAL FUNDS AVAILABLE	<u>232,821.00</u>	<u>156,041</u>	<u>184,394</u>	<u>184,548</u>
EXPENDITURES:				
ACCOUNTING	-	-	-	-
AUDITING	3,000	3,150	3,150	3,150
CAPITAL IMPROVEMENTS	34,765	23,966	31,860	26,861
DUES	-	750	400	400
ENGINEERING	4,111	1,500	-	-
INSURANCE	4,512	2,600	4,950	4,950
LEGAL	23,691	8,000	14,150	14,150
MANAGEMENT FEES	9,600	9,888	9,765	9,765
OFFICE SUPPLIES / POSTAGE & COURIER	365	300	375	375
MAINTENANCE OF DISTRICT COMMON AREA	55,927	65,000	68,600	69,920
UTILITIES OF COMMON AREA	15,059	15,000	15,000	15,000
TREASURERS FEES	1,505	1,656	1,750	1,750
REPAYMENT OF DEVELOPER ADVANCES	4,000	4,000	-	-
REPAYMENT OF HOA ADVANCES	-	-	-	-
TOTAL EXPENDITURES	<u>156,535</u>	<u>135,810</u>	<u>150,000</u>	<u>146,321</u>
TABOR RESERVE FUND	4,696	4,074	4,500	4,390
ENDING FUND BALANCE	<u>\$ 76,286</u>	<u>\$ 16,157</u>	<u>\$ 29,894</u>	<u>\$ 33,837</u>
ASSESSED VALUATION	6,905,430	8,254,910	8,254,910	8,254,910
MILL LEVY	14.481	12.114	12.114	12.114
	<u>99,998</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	-	-	-	-
PROPERTY TAXES	<u>99,998</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Spruce Meadows Metropolitan District

 BUDGET DOCUMENT
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	ACTUAL 2017	BUDGET 2018	FINAL 2018
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE:			
INTEREST INCOME	-	-	-
FEES	-	-	-
BOND PROCEEDS	-	-	-
DEVELOPER ADVANCES	-	-	-
TRANSFERS FROM OTHER FUNDS	-	-	-
TOTAL REVENUE	-	-	-
TOTAL FUNDS AVAILABLE	-	-	-
CAPITAL EXPENDITURES:			
REPAYMENT OF DEVELOPER ADVANCES	-	-	-
MISCELLANEOUS/CONTINGENCY	-	-	-
TOTAL EXPENDITURES	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -
ASSESSED VALUATION	6,905,430	8,254,910	8,254,910
MILL LEVY	-	-	-
	-	-	-
PROPERTY TAXES	-	-	-

Spruce Meadows Metro District

 BUDGET DOCUMENT
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	ACTUAL 2017	BUDGET 2018	ESTIMATED ACTUAL 2018
BEGINNING FUND BALANCE	\$ 548,793	\$ 189,661	\$ 207,849
REVENUE:			
PROPERTY TAXES	214,068	255,897	255,897
SPECIFIC OWNERSHIP TAXES	10,000	9,000	10,500
INTEREST INCOME	1,800	1,800	3,400
REFINANCE NEW LOAN FROM NBH BANK	2,775,000	-	3,400
TOTAL REVENUE	<u>3,000,868</u>	<u>266,697</u>	<u>273,197</u>
TOTAL FUNDS AVAILABLE	<u>3,549,661</u>	<u>456,358</u>	<u>481,046</u>
EXPENDITURES:			
TRANSFER TO GENERAL FUND	75,000	-	-
LOAN INTEREST	63,594	88,935	88,935
LOAN PRINCIPAL	80,000	90,000	90,000
PAYMENT TO REFUNDED BOND ESCROW	3,022,886	-	-
NEW LOAN COST OF ISSUANCE FEES	106,500	-	-
PAYING AGENT/TRUSTEE FEES	-	1,500	1500
TREASURERS FEES	3,362	4,000	4,600
MISCELLANEOUS	8,658	1,000	-
TOTAL EXPENDITURES	<u>3,360,000</u>	<u>185,435</u>	<u>185,035</u>
ENDING FUND BALANCE	<u>\$ 189,661</u>	<u>\$ 270,923</u>	<u>\$ 296,011</u>
ASSESSED VALUATION	6,905,430	8,254,910	8,254,910
MILL LEVY	31	31	31
	<u>214,068</u>	<u>255,902</u>	<u>255,902</u>
	-	-	-
PROPERTY TAXES	<u>214,068</u>	<u>255,902</u>	<u>255,902</u>

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

FOR LOCAL GOVERNMENTS WITH EITHER REVENUES OR EXPENDITURES MORE THAN \$100,000 BUT NOT MORE THAN \$750,000

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 for the year. If your local government has either revenues or expenditures of LESS than \$100,000, use the **SHORT FORM**.

EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA) for approval. Any preparer of an Application for Exemption from Audit must be an independent accountant with knowledge of governmental accounting. Approval for an exemption from audit is granted only upon the review by the OSA.

READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END. FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END. GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS. PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS.

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE.

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT THIS ADDRESS:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

CHECKLIST

- Has the preparer signed the application?
- Has the entry corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been **PERSONALLY** reviewed and approved by the governing body?
- Are all sections of the form complete, including responses to all of the questions?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
 - Will this application be submitted via Fax or Email?
 - If yes, have you read and understand the new Electronic Signature Policy? See [here](#)
- or--
 - Have you included a resolution?
 - Does the resolution state that the governing body **PERSONALLY** reviewed and approved the resolution in an open public meeting?
 - Has the resolution been signed by a **MAJORITY** of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
 - If yes, does the application include **ORIGINAL INK SIGNATURES** from the **MAJORITY** of the governing body?

New for 2018: Checkout our new web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more! See the link below.

[OSA LG Web Portal](#)

FILING METHODS

NEW METHOD!

WEB PORTAL: Register and submit your Applications at our new portal:

<https://apps.leg.co.gov/osalg>

MAIL: Office of the State Auditor

Local Government Audit Division

1525 Sherman St., 7th Floor

Denver, CO 80203

FAX: 303-869-3061

EMAIL: osalg@state.co.us

QUESTIONS? 303-869-3000

IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental activity should be reported on the modified accrual Basis.

Proprietary Activity should be reported on the Cash or Budgetary Basis – A Budget to GAA? reconciliation is provided in Part 3.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, **AN AUDIT SHALL BE REQUIRED.**

**APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM**

NAME OF GOVERNMENT ADDRESS

Spruce Meadows Metropolitan District
 C/O L. Paul Goeddecke P.C.
 14143 Denver West Parkway, Suite 450
 Lakewood, Colorado 80401
 Paul Goeddecke
 720-938-1686
 paul@ggoeddecke-cpa.com

For the Year Ended
 12/31/2018
 or Fiscal year ended:

CONTACT PERSON PHONE EMAIL FAX

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME: Paul Goeddecke
TITLE: CPA
FIRM NAME (if applicable): L. Paul Goeddecke P.C.
ADDRESS: 14143 Denver West Parkway, Suite 450
PHONE: 720-938-1686
DATE PREPARED: 3/20/2019
RELATIONSHIP TO ENTITY: Accountant for the District
PREPARER (SIGNATURE REQUIRED): *L. Paul Goeddecke*

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund
NOTE: Attach additional sheets as necessary

Line #	Description	Governmental Funds		Proprietary/Fiduciary Funds	Please use this space to provide explanation of any items on this page
		general Fund*	debt service		
Assets					
1-1	Cash & Cash Equivalents	\$ 64,003		\$ -	
1-2	Investments	\$ -	\$ 301,127	\$ -	
1-3	Receivables	\$ -	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	\$ -	
	All Other Assets [specify...]				
1-5	prepaid insurance	\$ 4,914	\$ -	\$ -	
1-6	due from other funds	\$ (1,565)	\$ 1,565	\$ -	
1-7		\$ -	\$ -	\$ -	
1-8		\$ -	\$ -	\$ -	
1-9		\$ -	\$ -	\$ -	
1-10		\$ -	\$ -	\$ -	
1-11	(add lines 1-1 through 1-10)	\$ 67,352	\$ 302,692	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 67,352	\$ 302,692	\$ -	
Liabilities					
1-14	Accounts Payable	\$ 7,040	\$ -	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ -	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ 7,040	\$ -	\$ -	
1-20	All Other Liabilities [specify...]	\$ -	\$ -	\$ -	
1-21	due to HOA	\$ 22,085	\$ -	\$ -	
1-22		\$ -	\$ -	\$ -	
1-23		\$ -	\$ -	\$ -	
1-24		\$ -	\$ -	\$ -	
1-25		\$ -	\$ -	\$ -	
1-26		\$ -	\$ -	\$ -	
1-27		\$ -	\$ -	\$ -	
1-28	(add lines 1-19 through 1-27)	\$ 29,125	\$ -	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	
Fund Balance					
1-30	Nonspendable Prepaid	\$ 4,914	\$ -	\$ -	
1-31	Nonspendable Inventory	\$ -	\$ -	\$ -	
1-32	Restricted [specify...], Tabor and debt service	\$ 3,750	\$ 302,692	\$ -	
1-33	Committed [specify...]	\$ -	\$ -	\$ -	
1-34	Assigned [specify...]	\$ -	\$ -	\$ -	
1-35	Unassigned:	\$ 29,563	\$ -	\$ -	
	Add lines 1-30 through 1-35		\$ 302,692	\$ -	
	This total should be the same as line 3-33		\$ 38,227	\$ 302,692	
	TOTAL FUND BALANCE	\$ 38,227	\$ 302,692	\$ -	
1-37	Add lines 1-28, 1-29 and 1-36				
	This total should be the same as line 1-13				
	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 67,352	\$ 302,692	\$ -	
Assets					
	Cash & Cash Equivalents			\$ -	
	Investments			\$ -	
	Receivables			\$ -	
	Due from Other Entities or Funds			\$ -	
	Other Current Assets			\$ -	
	Total Current Assets			\$ -	
	Capital Assets, net (from Part 4-4)			\$ -	
	Other Long Term Assets [specify...]			\$ -	
	(add lines 1-1 through 1-10)			\$ -	
	TOTAL DEFERRED OUTFLOWS OF RESOURCES			\$ -	
	TOTAL ASSETS AND DEFERRED OUTFLOWS			\$ -	
Liabilities					
	Accounts Payable			\$ -	
	Accrued Payroll and Related Liabilities			\$ -	
	Accrued Interest Payable			\$ -	
	Due to Other Entities or Funds			\$ -	
	All Other Current Liabilities			\$ -	
	TOTAL CURRENT LIABILITIES			\$ -	
	Proprietary Debt Outstanding (from Part 4-4)			\$ -	
	Other Liabilities [specify...]			\$ -	
	(add lines 1-19 through 1-27)			\$ -	
	TOTAL DEFERRED INFLOWS OF RESOURCES			\$ -	
	Net Position			\$ -	
	Net Investment in Capital Assets			\$ -	
	Emergency Reserves			\$ -	
	Other Designations/Reserves			\$ -	
	Restricted			\$ -	
	Undesignated/Unreserved/Unrestricted			\$ -	
	Add lines 1-30 through 1-35			\$ -	
	This total should be the same as line 3-33			\$ -	
	TOTAL NET POSITION			\$ -	
	Add lines 1-28, 1-29 and 1-36				
	This total should be the same as line 1-13				
	TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund*	Debt Service	Fund*	Fund*	
Tax Revenue						
2-1	Property (include mills levied in Question 10-6)	\$ 100,000	\$ 255,902	\$ -	\$ -	
2-2	Specific Ownership	\$ 6,385	\$ 16,123	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	
2-4	Other Tax Revenue (specify...):	\$ -	\$ -	\$ -	\$ -	
2-5		\$ -	\$ -	\$ -	\$ -	
2-6		\$ -	\$ -	\$ -	\$ -	
2-7		\$ -	\$ -	\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 106,385	\$ 272,025	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	\$ -	\$ -	
2-10	Highway Users Tax Funds (HURF)	\$ -	\$ -	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 1,877	\$ 7,436	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	
2-22	All Other (specify...):	\$ -	\$ -	\$ -	\$ -	
2-23		\$ -	\$ -	\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 108,262	\$ 279,461	\$ -	\$ -	
Other Financing Sources						
2-25	Debt Proceeds	\$ -	\$ -	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	\$ -	\$ -	
2-27	Other (specify...):	\$ -	\$ -	\$ -	\$ -	
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -	
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 108,262	\$ 279,461	\$ -	\$ -	
GRAND TOTALS						
IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000, STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.		\$ 108,262	\$ 279,461	\$ -	\$ -	\$ 387,723

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Line #	Description	Governmental Funds		Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		general fund*	debt service	Fund*	Fund*	
3-1	Expenditures					
3-2	General Government	\$ 119,460	\$ -	\$ -	\$ -	
3-3	Judicial	\$ -	\$ -	\$ -	\$ -	
3-4	Law Enforcement	\$ -	\$ -	\$ -	\$ -	
3-5	Fire	\$ -	\$ -	\$ -	\$ -	
3-6	Highways & Streets	\$ -	\$ -	\$ -	\$ -	
3-7	Solid Waste	\$ -	\$ -	\$ -	\$ -	
3-8	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	\$ -	\$ -	
3-9	Health	\$ -	\$ -	\$ -	\$ -	
3-10	Culture and Recreation	\$ -	\$ -	\$ -	\$ -	
3-11	Transfers to other districts	\$ -	\$ -	\$ -	\$ -	
3-12	Other [specify...]:	\$ -	\$ -	\$ -	\$ -	
3-13	treasurers fees	\$ -	\$ -	\$ 3,843	\$ -	
3-14	trustee fees	\$ -	\$ -	\$ 1,500	\$ -	
3-15	Capital Outlay	\$ 26,861	\$ -	\$ -	\$ -	
3-16	Debt Service	\$ -	\$ -	\$ -	\$ -	
3-17	Principal	\$ -	\$ -	\$ 90,000	\$ -	
3-18	Interest	\$ -	\$ -	\$ 88,935	\$ -	
3-19	Bond Issuance Costs	\$ -	\$ -	\$ -	\$ -	
3-20	Developer Principal Repayments	\$ -	\$ -	\$ -	\$ -	
3-21	Developer Interest Repayments	\$ -	\$ -	\$ -	\$ -	
3-22	All Other [specify...]:	\$ -	\$ -	\$ -	\$ -	
3-23	Add lines 3-1 through 3-21	\$ 146,321	\$ -	\$ 184,618	\$ -	
3-24	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	
3-25	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ -	\$ -	
3-26	Other [Specify...][enter negative for expense]	\$ -	\$ -	\$ -	\$ -	
3-27	Depreciation	\$ -	\$ -	\$ -	\$ -	
3-28	Other Financing Sources (uses)	\$ -	\$ -	\$ -	\$ -	
3-29	Capital Outlay	\$ -	\$ -	\$ -	\$ -	
3-30	Debt Principal	\$ -	\$ -	\$ -	\$ -	
3-31	TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	\$ -	\$ -	
3-32	TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	\$ -	\$ -	
3-33	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (38,059)	\$ 94,843	\$ -	\$ -	
3-34	Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ -	\$ -	\$ -	\$ -	
3-35	Net Increase (Decrease) in Net Position	\$ -	\$ -	\$ -	\$ -	
3-36	Fund Balance, January 1 from December 31 prior year report	\$ 76,286	\$ 207,849	\$ -	\$ -	
3-37	Prior Period Adjustment (MUST explain)	\$ -	\$ -	\$ -	\$ -	
3-38	Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -	
3-39	Sum of Line 3-30, 3-31, and 3-32	\$ 38,227	\$ 302,692	\$ -	\$ -	
3-40	This total should be the same as line 1-36.	\$ 38,227	\$ 302,692	\$ -	\$ -	
3-41	TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP - You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.	\$ -	\$ -	\$ -	\$ -	

GRAND TOTAL
330,939

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

- 4-1 Does the entity have outstanding debt? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

Please use this space to provide any explanations or comments:

4-4 Please complete the following debt schedule. If applicable: (please only include principal amounts)

	Outstanding at beginning of year	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ 2,695,000	\$ -	\$ 90,000	\$ 2,605,000
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 1,553,615	\$ -	\$ -	\$ 1,553,615
Other (specify): interest on developer advances	\$ 776,637	\$ 163,118	\$ -	\$ 939,755
TOTAL	\$ 5,025,252	\$ 163,118	\$ 90,000	\$ 5,098,370

Must agree to prior year ending balance

4-5 Please answer the following questions by marking the appropriate boxes.

- 4-5 Does the entity have any authorized, but unissued, debt? YES NO
- If yes: How much? \$ _____
- Date the debt was authorized: _____
- 4-6 Does the entity intend to issue debt within the next calendar year? YES NO
- If yes: How much? \$ _____
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO
- If yes: What is the amount outstanding? \$ _____
- 4-8 Does the entity have any lease agreements? YES NO
- If yes: What is being leased? _____
- What is the original date of the lease? _____
- Number of years of lease? _____
- Is the lease subject to annual appropriation? YES NO
- What are the annual lease payments? \$ _____

PART 5 - CASH AND INVESTMENTS

Please use this space to provide any explanations or comments:

5-1 Please provide the entity's cash deposit and investment balances.

YEAR-END Total of ALL Checking and Savings accounts	AMOUNT	TOTAL
5-1	\$ 1,288	
5-2	\$ -	
TOTAL CASH DEPOSITS	\$ 1,288	1,288

Investments (if investment is a mutual fund, please list underlying investments):

5-3	CSAFE	\$ 247,496	
	UMB corp trust account	\$ 116,347	
		\$ -	
	TOTAL INVESTMENTS	\$ 363,843	363,843
	TOTAL CASH AND INVESTMENTS	\$ 365,131	365,131

Please answer the following question by marking in the appropriate box

- 5-4 Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.? YES NO
- 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.3-101, et seq. C.R.S.)? If no, MUST explain: YES NO

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box

YES NO

Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain. YES NO

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ 1,955,488	\$ 26,861	\$ -	\$ 1,982,329
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): fencing and entryway monuments	\$ 402,000	\$ -	\$ -	\$ 402,000
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (112,560)	\$ (16,080)	\$ -	\$ (128,640)
TOTAL	\$ 2,244,908	\$ 10,781	\$ -	\$ 2,255,689

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box

YES NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firemen's pension plan? YES NO
- 7-2 Does the entity have a volunteer firemen's pension plan? YES NO

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

PART 8 - BUDGET INFORMATION

Please use this space to provide any explanations or comments:

- 8-1 Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: YES NO N/A
- 8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: YES NO N/A
- If yes: Please indicate the amount budgeted for each fund for the year reported

Fund Name	Budgeted Expenditures
general fund see explanation below	\$ 135,810
debt service	\$ 185,435
	\$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please use this space to provide any explanations or comments:

- 9-1 Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(6))?
 Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the provisions of TABOR. YES NO N/A

PART 10 - GENERAL INFORMATION

Please use this space to provide any explanations or comments:

- 10-1 Is this application for a newly formed governmental entity? YES NO N/A
- If yes: Date of formation:
- 10-2 Has the entity changed its name in the past or current year? YES NO
- If yes: NEW name
- PRIOR name
- 10-3 Is the entity a metropolitan district? YES NO N/A
- 10-4 Please indicate what services the entity provides:
- 10-5 Does the entity have an agreement with another government to provide services? YES NO N/A
- If yes: List the name of the other governmental entity and the services provided:
- 10-6 Does the entity have a certified mill levy? YES NO N/A
- If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):
- | | |
|-----------------------|--------|
| Bond Redemption mills | 31.000 |
| General/Other mills | 12.114 |
| Total mills | 43.114 |

Please use this space to provide any additional explanations or comments not previously included.

District will amend its 2018 general budget at its next Board of directors meeting from \$135,810 to \$150,000

Entity Wide:		General Fund		Governmental Funds		Notes		
Unrestricted Cash & Investments	\$	385,131	Unrestricted Fund Balan	\$	29,860	Total Tax Revenue	\$	378,410
Current Liabilities	\$	7,040	Total Fund Balance	\$	38,277	Revenue Paying Debt Service	\$	278,461
Deferred Inflow	\$	-	PY Fund Balance	\$	76,288	Total Revenue	\$	387,723
			Total Revenue	\$	108,262	Total Debt Service Principal	\$	80,000
			Total Expenditures	\$	148,321	Total Debt Service Interest	\$	88,835
			Inflated In	\$	-	Enterprise Funds		
Governmental			Inflated Out	\$	-	Net Position		
Total Cash & Investments	\$	385,130	Proprietary	\$	-	PY Net Position	\$	-
Transfers In	\$	-	Current Assets	\$	-	Government-Wide	\$	-
Transfers Out	\$	355,802	Deferred Outflow	\$	-	Total Outstanding Debt	\$	5,098,370
Property Tax	\$	80,000	Current Liabilities	\$	-	Authorized but Unissued	\$	-
Debt Service Principal	\$	330,838	Deferred Inflow	\$	-	Year Authorized	\$	-
Total Expenditures	\$	-	Cash & Investments	\$	-			
Total Developer Advances	\$	-	Principal Expenses	\$	-			
Total Developer Repayments	\$	-						

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

- The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign.
- Required elements and safeguards are as follows:
 - The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
 - The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
 - Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting, completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current governing board members below.

Board Member	Print Board Member's Name	A MAJORITY of the governing board members must complete and sign in the column below.
1	Scott Hasday	I, <u>SCOTT HASDAY</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/21/19</u> My term Expires: <u>2022</u>
2	John Wahl	I, <u>John Wahl</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/22/19</u> My term Expires: <u>2020</u>
3	Paula J. Lindamood	I, <u>PAULA J. LINDAMOOD</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/25/19</u> My term Expires: <u>MAY 2020</u>
4	Jack Deveraux	I, <u>JACK DEVERAUX</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: <u>2020</u>
5	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
6	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
7	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

SPRUCE MEADOWS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 – LONG-TERM DEBT OBLIGATIONS (CONTINUED)

The annual maturity schedule to amortize the 2017 General Obligation Note outstanding as of December 31, 2017 is as follows:

	Principal	Interest	Total
2018	\$ 90,000	\$ 88,935	\$ 178,935
2019	95,000	85,965	180,965
2020	100,000	82,830	182,830
2021	105,000	79,530	184,530
2022	110,000	76,065	186,065
2023-2027	630,000	322,410	952,410
2028-2032	795,000	208,230	1,003,230
2033-2036	770,000	64,845	834,845
	<u>\$ 2,695,000</u>	<u>\$ 1,008,810</u>	<u>\$ 3,703,810</u>

Advance and Reimbursement Agreement

The District has entered into an Advance and Reimbursement Agreement with Spruce Meadows Development, Ltd. (the Developer) whereby the Developer agrees to advance funds to the District for construction, maintenance and operating costs. In addition to advancing monies, the Developer has agreed to fund construction costs and contribute those infrastructure assets to the District in exchange for the District's promise to reimburse the Developer for the costs plus interest at a rate of 7% beginning May 26, 2004. The obligation is not to be construed as multiple fiscal year debt and the repayment is and shall be subordinate to any bond indebtedness.

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2017. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.